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# Building a Successful Palestinian State

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The RAND Palestinian State Study Team

Supported by a gift from  
David and Carol Richards



Research for this study was carried out from September 2002 through May 2004 by a multidisciplinary team of RAND researchers, working under the direction of the RAND Health Center for Domestic and International Health Security in conjunction with the Center for Middle East Public Policy (CMEPP), one of RAND's international programs. RAND Health and CMEPP are units of the RAND Corporation. Primary funding for the project was provided by a generous gift from David and Carol Richards. This research in the public interest was also supported by RAND, using discretionary funds made possible by the generosity of RAND's donors and the earnings on client-funded research.

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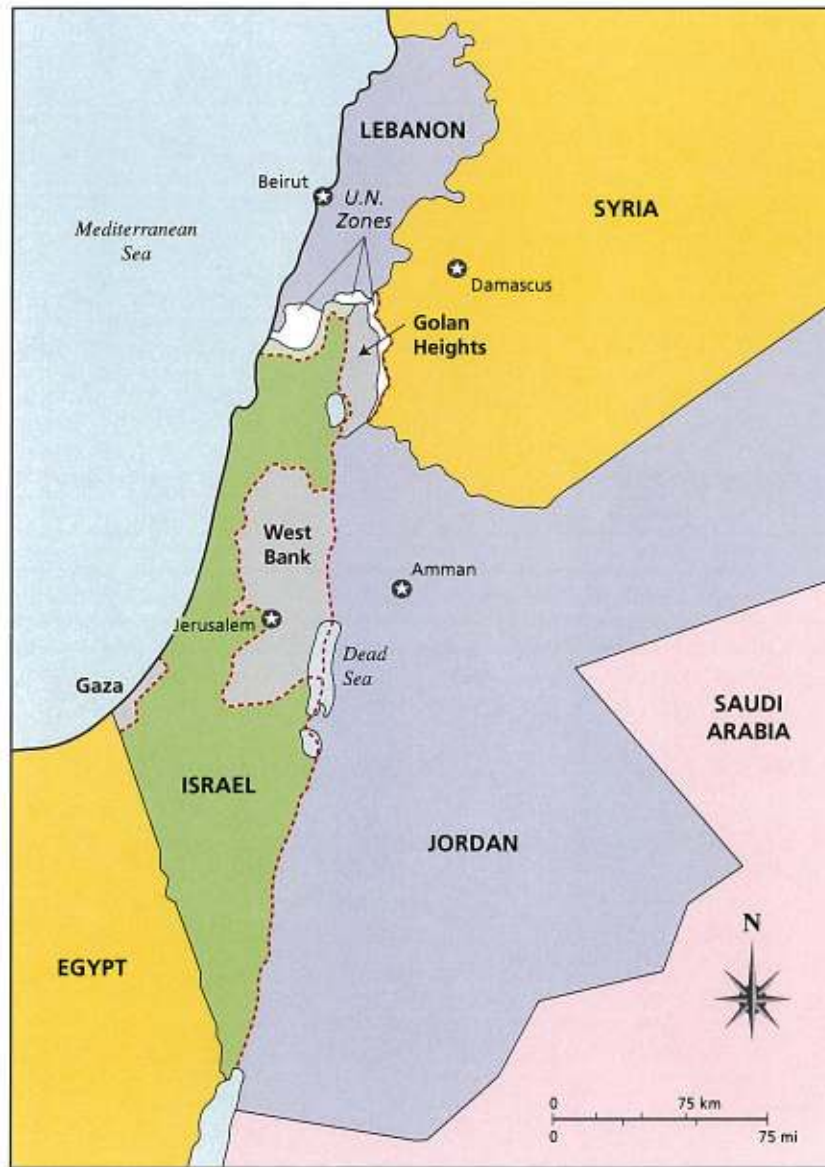
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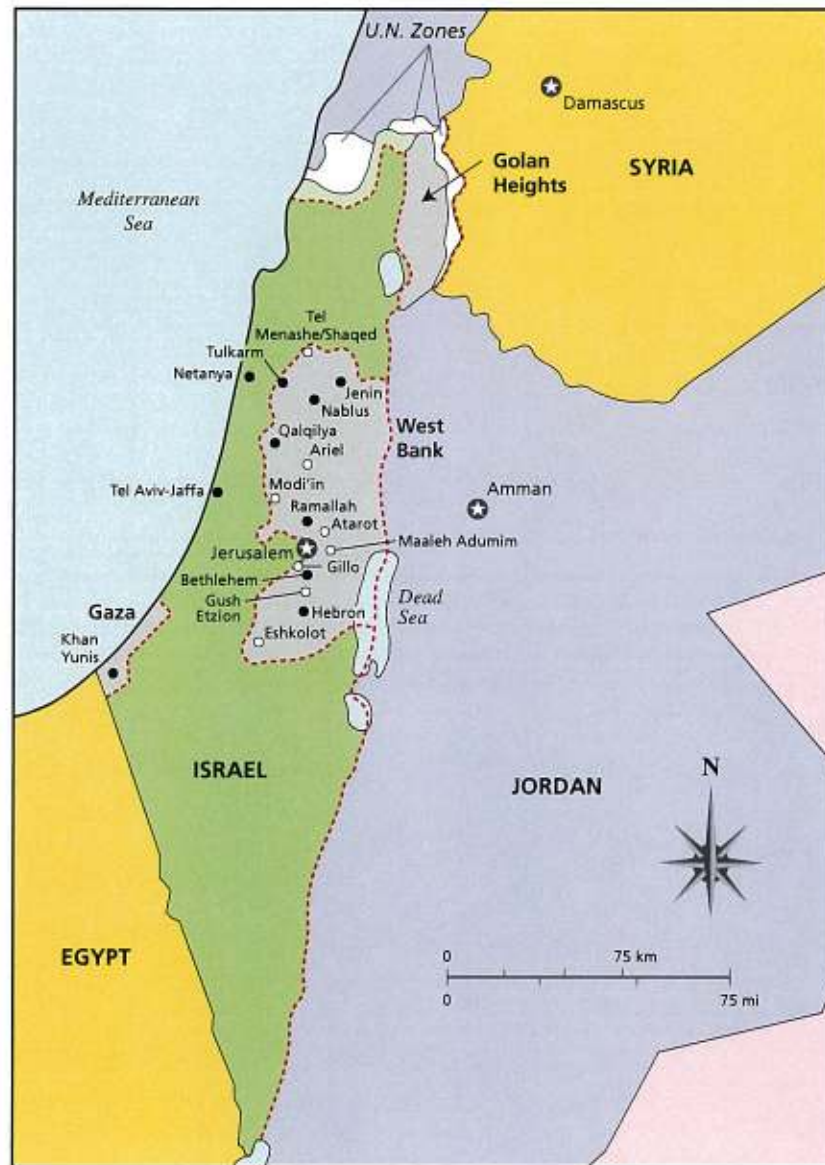
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Israel/Palestine Region



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Israel/Palestine Region with City Detail

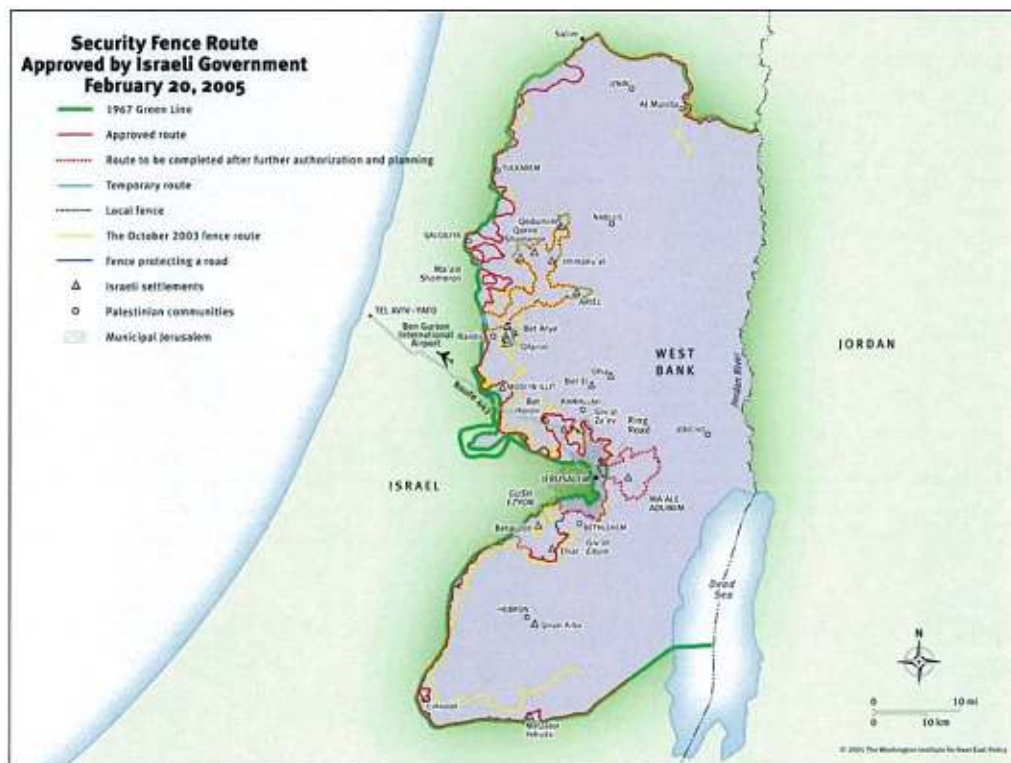


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NOTE: The Green Line—control of the regions within these borders has been contested since Israel seized the West Bank and Gaza in 1967.

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#### Israeli Settlements in the West Bank



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**Security Fence Route Approved by the Israeli Government as of February 20, 2005**

## Preface

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In April 2005, the RAND Corporation released two path-breaking studies focused on an issue of enormous global consequence: How can an independent Palestinian state be made successful? RAND did not examine how an agreement creating such a state could be reached. Rather, we developed analytically based recommendations about the steps necessary to promote success in the first ten years of independent statehood.

The first study, *Building a Successful Palestinian State*, is described in this volume. It surveys a wide range of political, economic, social, and environmental challenges that a new Palestinian state would face. A multidisciplinary team of more than 40 RAND researchers examined governance, internal security, demography, economics, water, health, and education. (A subsequent volume, *Building a Successful Palestinian State: Security*, examined external security issues.) In each area, RAND assessed the status of relevant existing institutions and infrastructure, considered what might constitute “successful” development over the first decade of a state, identified policy options for moving from the status quo towards such success, and considered the financial costs of those options. Our work drew on detailed analysis of existing information as well as fact-finding trips to the region and consultation with local and international experts.

The second study, *The Arc: A Formal Structure for a Palestinian State*, describes an innovative new framework for transportation and urban planning to foster economic and social development in the context of a rapidly growing population and currently inadequate physical infrastructure. It also considers some related policy challenges, particularly the issue of immigration to a new state by Palestinian refugees and others currently living outside the West Bank, Gaza, and Israel.

The studies have been presented to a wide range of Palestinian, Israeli, U.S., and international audiences, including political and business leaders, academics, non-governmental organizations and community groups.

We have not revised this volume since it was originally published in 2005; thus, it does not reflect recent political developments. However, RAND’s research was neither conceived nor executed in response to any particular opportunity or timeline;

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indeed, the original research was conducted mainly during the height of the second intifada—a period of active conflict and little political dialogue. RAND's work remains relevant and valuable because one of its original motivations was to advance prospects for peace by showing that a successful Palestinian State is feasible. The need to demonstrate feasibility has not changed. Nor has the validity of most of RAND's programmatic recommendations.

Now, as in 2005, a critical majority of Palestinians and Israelis, as well as the United States, the European Union, and other international parties remain committed to a negotiated settlement leading to an independent Palestinian state. When that occurs, progress along the lines we have identified will be necessary to move forward. And, as recent experiences from East Timor to Iraq underscore, research and planning in advance of political developments can be essential for success.

This work should be of interest to the Palestinian and Israeli communities; to policymakers in the Roadmap Quartet (the United States, the European Union, the United Nations, and Russia); to foreign policy experts; to organizations and individuals committed to helping establish and sustain a new state, and to the negotiating teams charged with the responsibility of reaching an accord.

Primary funding for these studies was provided by private individuals. *Building a Successful Palestinian State* was funded by a generous gift from David and Carol Richards. Support for this research in the public interest was also provided, in part, by donors and by the fees earned on client-funded research.

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In addition to the reviews of the entire study mentioned above, each sector chapter was also reviewed by at least two external reviewers, as well as by a variety of technical experts within RAND. We wish to extend our thanks and gratitude to all of these individuals, whose critiques greatly helped to sharpen our analyses. These reviewers included Amitzur Barak, Sue Bodilly, Robert Bowker, Nathan Brown, Louay Constant, Julie DaVanzo, Sir Lawrence Freedman, Osman Galal, Sir Timothy Garden, Shimon Glick, Debra Knopman, Ellen Laipson, Robert Malley, Itamar Rabinovich, Alan Richards, Andrew Rigby, Yezid Sayigh, Avraham Sela, Khalil Shikaki, and Tarik Yousef. Of course, the final research and findings are the responsibility of the authors.

All authors would like to thank our RAND colleagues. We would especially like to thank Barbara Meade and Mary Vaiana, who reviewed the entire volume for clarity and structure, and Jane Ryan and Peter Hoffman, who coordinated book design and production. Christina Pitcher and Miriam Polon edited the manuscript and produced a greatly improved final version. Stephanie Griffith, Jacelyn Cobb, and Christine Carey's effective project management enabled us to keep track of each chapter through the lengthy writing and review cycles.

Work on this study would not have been possible without the support of David and Carol Richards, whose generous funding for this project reflects their deep commitment to peace in the Middle East. We are also grateful to RAND's corporate management team, whose encouragement and financial support enabled publication of this book. We extend special thanks to Michael Rich, RAND's Executive Vice President, and Robert Brook, Vice President and Director of RAND Health, for their timely reviews of the study and unflagging encouragement to the authors.



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